



NEA-New Mexico

RETIRED



The Official Newsletter of NEA-New Mexico Retired Members

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PRESIDENT'S CORNER

By Debbie Schoonover

Wow, writing a letter as the NEA Retired President, what a surprise! I want to say how excited I am and that this is such a neat thing, but considering the reason I got this position is due to the loss of our true President, Bobbie Davis, I have to admit I was not excited. I spoke with Bobbie several times on the phone, but I was only able to meet with her personally one time, in October at the board meeting. Bobbie makes wonderful first impressions! I admired her and her love for education from the get go. I was definitely excited to be HER Vice President and I knew we were going to have a great time serving as officers together. It took a while, after her passing, to find out that our Retired NEA by-laws placed me in her position. Now that I am adjusting to her loss and the obvious, that I have a job to do, I am ready to do whatever is necessary to make Bobbie happy with our progress this year.



Patricia Jaquez, Brian Huebner, and Debbie Schoonover

I have been retired two years next month and what I notice is people think retired means totally tired all the time. That is not me and I am sure it is not you. "Once a teacher, always a teacher" is so true. If you have been on the www.nea-nm.org web site or read any newspapers, you know the turmoil education is facing in this legislative session. As these and other challenges arise, we, as believers in education, still play a crucial role in how education policy moves forward. Putting on the "retired hat" does not change that love. If you have ideas of what you would like to see retired teachers do in the educational scene, please let me know and we will try to get things going so that we will be the best retired educators ever known. We can and will make a difference in children's lives!

Thank you, Debbie Schoonover

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Bobbie Davis passes December 7, 2010

NEA-NM lost a tireless advocate and a true friend on 12/7/10 when Bobbie Davis passed away in Roswell. Bobbie was serving as President of NEA-NM Retired at the time of her death and had been a lifelong leader in the Roswell Education Association, the Southeast Region, and NEA-New Mexico. We extend our heartfelt condolences to her husband and our colleague, Jack Davis, and the entire Davis family

As stated in her obituary from the Roswell Daily Record published 12/12/2010:

Bobbie was born February 3, 1934, in Texico, N.M., to Robert and Cora Mae Williams. She graduated high school in Texico, and went on to receive her bachelors degree from Eastern New

Mexico University-Portales. Bobbie received her master's degree from the University of Arizona in library science. She worked for the Public Schools in Estancia, N.M., from 1967-1976 and later moved to Roswell, where she worked for the Roswell Independent School District at Mesa Middle School as the librarian from 1976-1995. Following her retirement she worked as the librarian for the U.F.O. Museum and Research Center. Bobbie was an active member of the New Mexico State Democratic Central Committee and Democratic Women in Chaves County. She was also currently serving as president of NEA Retired Teachers Association.



A very touching poem was written by her Niece Judy about Bobbie:

Believer – Aunt Bobbie believed in eternal life with our Lord.

Optimist – Aunt Bobbie was cheerful and joyful about life.

Blessing – Aunt Bobbie was a blessing to her family, friends and pets.

Bountiful – Aunt Bobbie gladly gave her love and time to others.

Inquisitive – Aunt Bobbie was always excited about learning.

Educator – Aunt Bobbie was a teacher who guided and inspired her students. Her influence will live on in our hearts.



Mary Lou Cameron – NEA-NM ERB Chair

The Albuquerque Journal recently ran an editorial that makes a number of points that, as the Educational Retirement Board's Chair, I strongly disagreed with. Specifically, the editorial stated that the ERB relied upon an unrealistic investment rate of return over the next 30 years to cover pension liabilities, the ERB "chose to be popular with its constituency" instead of forcing educators to face some hard truths, the State's promised 13.9% portion of the pension contribution is too high, and the pension fund is structured like a "pyramid scheme."

The editorial noted that the pension fund's 10 year average return on investment was 2.6%. It is not noted, however, that this average reflected the impact of two of the most serious market downturns in the last 100 years – downturns which occurred within a single 10 year period. For a more accurate picture, the ERB's investment returns must be looked at from a broader perspective. Over 20 year and 25 year periods, the ERB's investment returns were 8.4% and 9.0%, respectively. Those returns are higher than the 8.0 % currently used in the ERB's actuarial model. More recently, the ERB earned 18.2% in the fiscal year ended June 30, 2010, placing it in the top 2% of all public pension funds in the U.S. with over \$1 billion in assets. While these figures show that the ERB can and has earned more than 8% over time, the Board knows that rate must be periodically reviewed as part of its regular business process to determine whether its continued use is appropriate. The ERB is reviewing the 8% rate with its actuaries and investment advisor and will determine this spring whether to continue using that rate in its actuarial model.

Investment professionals agree that asset allocation is responsible for over 90% of investment performance. Until 2005, state law limited ERB's investment options to stocks and bonds publicly traded in the U.S., excluding a number of asset classes. Aware that a broader range of investment options would better insulate the State's public pension funds from large swings in the stock and bond markets such as occurred in 2000 through 2003, the 2005

Legislature amended the law governing the ERB's and the Public Employees Retirement Association's investments. Since then, the ERB has been diversifying its investments at a measured pace. In October 2010, the ERB revised its investment allocation as part of its effort to enable the pension fund to better weather financial downturns and to provide more consistent, less volatile returns. ERB's actuaries and investment advisor will consider the new investment allocation, as well as general market conditions, when making their recommendation whether the 8% investment return assumption continues to be warranted.

Further, the statement was made that the ERB "chose to be popular" rather than force educators "to face some hard but necessary truths" when it recommended the contribution increases, those who attended the meetings where changes were considered know the decision was not popular. The ERB's goal is to reach 80% funding of pension liabilities within 30 years. The ERB arrived at that goal after listening to legislators and others and consulting with its outside actuaries. As with any goal, there are many ways to reach it. The ERB could have pushed the burden of improving the funding level onto new members, as other plans have, in the form of reduced benefits and higher contributions. Instead, the ERB voted to increase contributions for all members, current and future. That decision was far from popular. While many members accepted the necessity of the decision, others questioned whether their contributions need to be raised, particularly now, and still do not support the decision. Board members were criticized for the decision – repeatedly. The recommendation to increase contributions came less than two years after the ERB recommended the Legislature increase the length of service required for new members to receive retirement benefits, another recommendation that was neither "popular" nor universally supported. As with recommending increased contributions, recommending longer service



Mary Lou Cameron – NEA-NM ERB Chair

requirements was part of the ERB’s commitment to the long term health of the pension fund and to maintaining similar benefits for members over time.

In 2005, the Legislature increased the contribution rates for public education employers (effectively the State) to 13.9% and for public education employees to 7.9% over several years. Employee contribution rates increased as planned. In addition, for those earning over \$20,000 annually, another 1.5% was added when the Legislature shifted that amount from the employers to the employees for two years as part of balancing the State’s budget, resulting in a 9.4% employee contribution rate. As has been widely acknowledged, the employers are not likely to resume paying that 1.5% in the near future – if ever. The ERB is asking the Legislature to increase contributions to the agreed 13.9% level, not at once, but over 6 years. This gradual implementation will allow the Legislature to plan for the increase. Pensions for educational employees are a valuable tool in recruiting qualified educators and an important element of the compensation package employees consider when they go into teaching. Funding the planned and promised contribution increase is a vital part of improving New Mexico’s educational system.

While some public pension funds elsewhere may offer those types of pensions, often without adequately funding them, such is not the case in New Mexico. The Legislature has controlled the level of benefits and has appropriated the employer contributions as provided for in statute, currently 10.9% for ERB and 15.09% for PERA for most state employees. The ERB, and educators, understand the difficult fiscal situation that New Mexico is facing and that the employer contribution

cannot be increased to 13.9% in the short term. However, the longer that funding commitments to the pension plan are delayed, the more difficult the problem becomes. By gradually increasing employers’ contributions over six years, we will begin to address the problem, rather than letting it continue to grow.

As the December 26, 2010 editorial noted, pension plans should not be structured like "pyramid schemes" – and the ERB is not. Pension plans are designed to be prefunded by employer and employee contributions during the members’ working careers. While members are working, the contributions are put to work in investments. These investments allow the members to retire secure in the knowledge that their pensions have been earned and will be paid. At every pension plan, contributions come in from employers and employees while pensions also are being paid to retirees. This does not a "pyramid scheme" make. Use of this rhetorical flourish may be entertaining to some but it is misleading and does nothing to further the important discussion of how to structure and pay for public pensions. This discussion should take place soon, free of misleading rhetoric. It also needs to take place with the implicit understanding that reasonable pension benefits, properly funded, are sustainable and provide a well-earned secure retirement. New Mexico's public servants, and all employees, deserve financially secure retirements. In the long run, this is in best interest of all New Mexicans.

Thank you for allowing me to represent you on the ERB.

UPDATE —

February 16, 2011– Albuquerque Journal

ERB Fund Returns 13.8% in 2010

ERB also announced it has started looking for an emerging-market debt investment manager and expects to invest up to 2 percent of its assets in emerging market debt.

Article about Retiree Health Care Authority for NEA Retirees-Feb 2011

By Tom Sullivan

Over the last 2 years the New Mexico Retiree Health Care Authority (NMRHCA) has made tremendous strides in improving virtually every aspect of its operations on your behalf - solvency, management, and customer service - despite an extremely challenging environment.

We have hired an outstanding Executive Director, Wayne Propst, who in turn has surrounded himself with excellent support staff. With the assistance of active employees and statewide union groups we were successful in passing legislation that increased their payroll contributions over a 3 year phase in period which subsequently helped extend the RHCA solvency projections out to 15 years. As you may know, without legislative support of this nature, RHCA would be solely dependent on premium increases or plan design changes borne entirely by retirees to address the agency's annual financial needs.

As things now stand the Board of Directors, which also has become much more stable and cohesive, still faces difficult decisions each and every year to work within the revenues available and provide the best health care coverage available for its members. We have recently had to blend 3 previous plan options for members down to 2 choices, essentially influencing many members to choose designs based both on their own cost and that which would best serve the greater good of the fund. Now after our second "switch enrollment" period under this new plan design, member satisfaction, measured by an independent poll, has returned to an extremely high level.

But imminent challenges still remain; national trend projections of 8% health care insurance premium increases annually constantly impact our long term solvency projections. And closer to home a legislative proposal looms – Senate Bill 15 would establish a cabinet level Health Policy and Finance Dept. and force the consolidation of RHCA with the Public Schools Insurance Authority, the Albuquerque Public Schools and

the NM State government employees (GSD), creating a mega program alleging to be able to assure savings with scant to absolutely no evidence to support the claim!

The RHCA Board has adopted a formal Resolution opposing this consolidation effort for a variety of reasons-some of which I would like to mention here (paraphrased or referenced from the actual Resolution) and also ask for your support in communicating that opposition to your local legislators.

First, retired public employees represent a unique demographic-compounded by thousands of our members living out of state - that cannot be adequately serviced using conventional employer-based models. And a membership that recently afforded RHCA a 91% satisfaction rating! (Source 2010 Research and Polling)

We also believe the proposed consolidation would require literally \$\$ Millions upfront - conservatively estimated at \$10M+ to create an interagency Information Technology System that might never be recovered through any projected administrative efficiencies later. It is absolutely worth noting that RHCA is currently operating with approximately 1% of its annual budget in administrative costs-a remarkably low and efficient number unlikely to be improved upon with a new model.

Finally, our Board does not believe that the elimination of NMRHCA would provide any guarantees of either fiscal savings or administrative improvements beyond what is possible within the existing structure. We certainly do believe, however that the current proposal, if enacted, would be detrimental to our membership.

While health care and its accelerating costs remain a major national concern, this is not the time to add unnecessary uncertainty-or a huge new bureaucracy - to the program currently serving New Mexico's public employment retirees so well.

2011 NEA-RETIRED REGIONAL CONFERENCE

April 9-11, 2011

Santa Ana Pueblo

Bernalillo, New Mexico

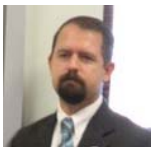


HOW FUN!! The Western Region NEA-Retired Conference is being held in New Mexico. This will include retirees from the Midwest, Pacific, and Western Regions, all gathering at the Hyatt Regency Tamaya Resort and Spa. What a wonderful place to relax and have a wonderful time. The conference is not going to be like the ones you went to for 25-30 years. There will not be any sessions on classroom management or writing your lesson plans with an added new section. The conference is just for us, retired educators, a chance to meet new people, see old friends, and even learn something new and interesting. Please check with the NEA office for more information. We want to bombard all the attendees with a big New Mexico welcome. Let's herd all the retirees in for a great "Yee Haw" time.

UniServ Staff Update



Eduardo Holguin will now be in Santa Fe as the Government Relations/ Communications Team. He will no longer be working with the Retired members. A big thank you to Eduardo for all his hard work for the Retired Members in NEA-NM.



Brian Huebner will now be working with the Retired members. He is in the Albuquerque office at 4223 Montgomery Blvd. NE, Albuquerque, NM 87109. His phone number is (505) 883-4737 or email bhuebner@nea.org. Welcome Brian, we are looking forward to working with you.

A thank you to all who help with the NEA-NM Retired Newsletter.....



What does Retired Look Like?

Brian and I were discussing retired images the other day. What does retired look like? Well one of the brochures from NEA National showed us on the front porch rocking. That's ok, we do need a rest after a good workout. My husband really likes to hear Tom Brokaw refer to us as individuals "of a certain age." Seems like now when someone says they are hanging out down at the bar, it's probably the juice bar at the health club, since there is a wait for the really good equipment. Then of course, the seniors have to be out of there by 2:00 pm so as not to miss the early bird special at so many of our favorite restaurants, not to mention happy hour at Furr's cafeteria. That one can go as low as six dollars, of course you've got to buy your tea. That's extra. I actually noticed a sign on the Texas Roadhouse that offered \$7.99 steak special. Then get to the movies in time to enjoy the senior discount. There is actually no time limit on that. You just have to be "of a certain age." We are actually in pretty good company when we look at just how many of us are celebrities. I saw Cher on the Leno show, she was telling Jay she was dating one of his buddies. She said he was considerably younger than she was, but still was the oldest man she had ever dated! Switched over to see who Dave had on and there was Stevie Nix,

you guessed it, brand new material. Neil Diamond has all new material out. My girl friend told me the other day that she has downloaded a thousand tunes already on her iPod. I can see that. Our music ranges from the 40s,50s, 60s, 70s, 80s, 90s, up to 2011. We really like Fergie and the Black-eyed Peas. Of course Rod Stewart re-made some of the old classics. That was easy, since he is one. He has a new wife and is expecting a new baby. He was telling Oprah that the Thanksgiving table is getting pretty crowded as all the children come home and their mothers are invited too. Well I will close, I don't want to miss my tee time. I still play with my little nine hole golf group, The Sandpipers 9. We have been together since the mid 90s. I heard that your golf game is in good shape if you can shoot your age. I think they were talking about 18 holes. I guess we are all about Mick's age and he still can't get no satisfaction, so he's touring with the Rolling Stones again. It's true, we are all keeping at it. After all as Clint Eastwood was overheard saying, "Life's pretty darn good out here on the back nine."

Pat Jaquez your sec-treasurer

CONGRATULATIONS!!!!



Senator Mary Jane Garcia will be honored at the NEA Human and Civil Rights Award Banquet in Chicago, IL this summer when she is awarded the NEA Reg Weaver Human and Civil Rights Award. NEA-NM nominated Senator Garcia for this prestigious award in recognition of her work over the years on behalf of children and families. The award is given to a nominee whose activities around closing the poverty gaps for children in America and around the world have made a significant impact in helping poor students and eliminating poverty.

...when you need to know!

www.nea-nm.org

Where to go...

NEA Annual Meeting, Chicago, Ill	July 1-5, 2011
National Nurse's Day	May 11, 2011
National Teacher Day	May 3, 2011
NEA Retired Regional Conference, Santa Ana Pueblo, Bernalillo, NM	April 9-11 2011
Read Across America Celebration	March 2, 2011

Calendar



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